

## GENERAL TERMS AND CONDITIONS

### 1. PREAMBLE AND DEFINITIONS

These General Terms and Conditions for Services (“Terms and Conditions”) shall apply when OSM HK Limited or any of its affiliates (hereinafter jointly referred to as OSM) provides and sells any Services or Products to its customer(s). Any conditions stipulated by the customer that are in contradiction or in addition to these Terms and Conditions shall only be valid if expressly acknowledged by OSM in writing.

“Components” shall mean all materials to be used for the Products and Services.

“DOS” shall mean the days of supply meaning the calculated forward looking number of calendar days during which OSM’s then current inventory of Components will be used in the manufacturing of the Products based on customer’s demand presented e.g. in the quotation, forecast and/or orders. DOS shall be calculated by subtracting daily component demand from the inventory until the whole inventory is consumed.

“Long Term Services” shall mean Services that needs ongoing capacity planning such as, without limiting to, manufacturing, and aftermarket services.

"Product(s)" shall mean the outcome of Services, whether products or deliverables, and provided by OSM in accordance with Specifications and any other mutually agreed requirements.

“Project” shall mean scheduled short term Services with milestones such as, but not limited to, new product introduction (NPI).

“Service(s)”, “Servicing” shall mean all the services to be provided by OSM to customer, all in accordance with the pertinent documentation, Specifications provided by customer and agreed by OSM.

“Specifications” shall mean all the information, irrespective of the media containing the information, required for Servicing including but not limited to quality requirements and design.

### 2. SPECIFICATIONS AND SERVICES

The Specifications are identified and provided by customer and agreed to by OSM in respect of each Product and/or Service. OSM shall comply with and perform the Servicing in accordance with the Specifications. Unless otherwise expressly agreed, customer shall be liable for functionality of the Specifications. OSM’s liabilities with regard to Specifications are as set forth in these Terms and Conditions.

### 3. INVESTMENTS / NRE Costs / Design, Product Development & Engineering Services Fee

If OSM has in the quotation or thereafter agreed to make certain investments or expenditure before and/or during the Services, customer shall be responsible for compensating such investments or expenditure to OSM in full.

#### 4. TOOLS AND EQUIPMENT

Any tools and equipment provided by customer for manufacturing purposes shall remain the property of the customer. The customer shall pay OSM for any regular maintenance or work necessary to adapt or supplement special tools and equipment in order for OSM to provide Services to customer.

OSM shall maintain the tools and equipment in good working condition and the customer shall be charged separately for any calibration or repair costs of the tools and equipment.

If requested by customer, OSM shall mark customer's tools and equipment as customer's property, nor shall such tools or equipment be handed over to a third party.

Customer shall at all times bear the risk and expense of all transportation and insurance of customer provided tools and equipment to and from OSM.

#### 5. PRODUCTS

Customer shall specify and/or approve the materials needed for the Product as a Bill of Material (BOM), which shall be a part of the Specifications. Customer shall all times be responsible for the accuracy of the Specifications, including the information in the BOM, and for providing of all updates thereof to OSM.

Customer shall at all times be responsible for the legal compliance of the Specifications including but not limited to Product's compliance with the relevant authority requirements, standards and environmental compliance thereof.

Customer shall acquire any and all needed licenses and permissions for Product(s) as may be required by applicable laws and local authorities and/or standards.

Customer shall assist and support OSM in order to receive any authority approvals, which are necessary for OSM providing the Services.

#### 6. PROJECT

OSM shall prepare a Project schedule for each Project, including Project budget, which customer shall approve before the Project can be commenced. The parties shall strictly follow the Project schedule.

Customer shall acknowledge the completion of a Project through a final review. Such review shall be prepared by OSM and presented to customer. Customer shall acknowledge the completion in writing when the project is completed in conformance with the Specifications.

#### 7. PRODUCT FORECAST AND PURCHASING OF MATERIALS

Long Term Services: customer undertake to provide OSM with orders and rolling forecasts for long-term capacity planning, component procurement and allocation. The fixed and flexible periods, flexibility levels as well as possible buffer and emergency reserve stock requirements for the Products is defined by OSM based on Component lead times and capacity utilization. In case

OSM agrees to purchase the Components, OSM may require a satisfactory collateral from customer e.g., in the form of a parent company guarantee or bank guarantee.

Should customer's actual orders deviate from the forecast so that the DOS exceeds quoted levels or DOS 20, customer shall compensate and/or reimburse OSM for the incurred costs of such deviation. The basis for the compensation payable for any deviation shall be calculated at an interest level of 0.5% of Component landed cost counted for each commencing week. In any event, customer shall be obligated to purchase all Components that are no longer needed or usable as the result of any revision or changes of any Product or forecast or order ("Obsolete Components").

Components which have been in OSM's inventory for more than sixty (60) days or which have no visible demand for the coming sixty (60) days shall be deemed as Obsolete Components.

Products which have been in OSM's or its suppliers' inventory for more than sixty (60) days or which have no visible demand for the coming thirty (30) days shall be deemed as Obsolete Components.

Components in stock and/or ordered for the Products based on customers' purchase orders or forecasts shall be considering and covering minimum order quantities and minimum packaging quantities as part of the Customers liability.

The payment term of OSM's invoice for Obsolete Components is fourteen (14) days from the date of invoice. In case customer fail to collect the Obsolete Components from OSM within the time specified by OSM, OSM may dispose of the Obsolete Components at its discretion and at customer's cost.

#### 8. COMPONENT LIABILITY

Customer is fully liable for all customer appointed suppliers as well as for the Components purchased from such suppliers and such Components compliance with BOM.

In the event the Components are independently chosen and purchased by OSM from OSM's preferred suppliers, OSM is responsible for managing such suppliers and confirming Components compliance with BOM.

#### 9. CANCELLATION AND RESCHEDULING

Long Term Services: Should customer request to cancel an order or delete a Product from production, customer shall acquire from OSM all Products and semi-finished Products (including but not limited to all such Products in OSM's buffer stock, if applicable) and compensate all costs incurred by OSM due to cancellation or termination of a Product. In addition, customer shall acquire from OSM for the landed cost plus the applicable material mark-up all Components in stock and/or ordered for the Products based on customers' purchase orders or forecasts, minimum order quantities and minimum packaging quantities shall be considered. The payment term for OSM's invoice for the above items is fourteen (14) days from the date of invoice.

Projects: customer shall compensate OSM in full for all actual costs incurred or caused by the preparation or performance of the Project including but not limited to i) investments, ii) acquired Components and liabilities towards suppliers, iii) costs of labor, storage and tools, iv) Product and

semi-finished Products. v) Design and Product Development costs

#### 10. CONSIGNMENT

OSM and customer may agree that customer provides OSM with the Components as free consigned. OSM may hold such consigned Components for a maximum period of ninety (90) days. In case there is no demand for such Components after 90 days, such Components shall be deemed Obsolete Components. Payment term is fourteen (14) days from the date of invoice.

After ninety (90) days customer shall assume possession of such remaining Components. In the event customer fails to do so, OSM shall be entitled to dispose of the respective Components at customer's cost.

Notwithstanding the foregoing, OSM may agree to store or scrap customer owned Components and Products against separately agreed Service fees.

#### 11. CHANGE MANAGEMENT

Any changes to Specifications shall be made in writing in accordance with OSM's change management process and are subject to an additional price. In case of changes in Specifications, customer's liabilities with respect to finished Products, semi-finished Products and/or Components shall be in accordance with section 5 above.

#### 12. TERMS OF DELIVERY, ORDERS AND DELIVERIES

The terms of delivery shall be Ex Works relevant OSM manufacturing site, interpreted in accordance with Incoterms 2010.

In the event of delay, the following will apply:

1. If the delivery is delayed owing to force majeure, or because of an act or omission of customer or any of its suppliers or manufacturers supplying Components to OSM, the delivery time shall be extended taking into consideration all pertinent circumstances.

2. If OSM is otherwise unable to deliver the Products in accordance with the agreed delivery times, then OSM shall as soon as it becomes aware of the delay or a possible or potential delay, inform customer thereof and propose a new date for delivery.

#### 13. EXPORT CONTROL

Customer undertakes to obtain any and all needed export licenses or exemptions. OSM agrees to co-operate with the customer including without limitation, in providing required documentation for such export licenses or exemptions therefrom. OSM will comply with the relevant export regulation in effect from time to time.

Customer undertakes to inform OSM in writing whether customer and/or the Products are subject to any export regulation. Should customer fail to inform OSM in accordance with this Clause, OSM shall not be liable for any damage caused to the customer or its customer as a result of OSM's non-compliance with any export requirements and customer undertakes to compensate OSM in full for any and all damages caused to OSM as a result of such non-compliance with the applicable export regulation.

#### 14. PRICES AND TERMS OF PAYMENT

The terms of payment for all Services shall be thirty (30) days from the date of OSM's invoice. Unless otherwise agreed, OSM shall invoice for each delivery separately. Payment term for the invoice for Obsolete Components is fourteen (14) days from the date of invoice.

In the event of any delay in payments, customer shall pay overdue interest on the amount delayed. The day elapsed from the due date to the date of actual payment. The overdue interest shall be sixteen percent (16%) per annum. The overdue interest shall be payable for each day elapsed from the due date to the date of actual payment received.

The prices are subject to changes due to increase in OSM's costs relating to manufacturing and/or material costs. OSM shall submit a new price list promptly after such change in the costs has occurred. The new price list shall contain the effective date for the change in the prices. The change in the prices shall affect all the orders that are submitted after the effective date stated in the new price list. Furthermore, in the price reviews currency exchange rates shall be one defining factor among others.

Customer shall be responsible for any and all applicable taxes, duties or other charges, excluding corporate income tax, which are now or may hereafter be imposed, assessed or levied against customer or OSM in connection with manufacturing for customer. If the tax is added to the price, but OSM is entitled to a tax credit, OSM shall refund same amount to customer in reasonable time after receiving benefit from the tax credit. If any applicable mandatory provisions of law require customer to withhold amounts from any payments to OSM, such withholdings shall not affect actual payments agreed by the parties.

For the security of customer's payments, customer undertakes to provide OSM with necessary bank guarantees and/or other collaterals upon request. Any and all bank guarantees and other collaterals must be pre-approved by OSM.

#### 15. RISK AND TITLE

Risk and Title shall pass to customer upon delivery per the agreed incoterms.

#### 16. WARRANTY

OSM warrants:

a) that Products in volume manufacturing Services shall at the date of delivery:

(i) Be new and unused; and

(ii) conform to the Specifications; and

(iii) that during the warranty period of six (6) months from the date of delivery the Products shall remain free from all defects arising from faulty or inferior workmanship.

b) that the Services in the NPI projects will be carried out in a professional manner and in accordance with the Specifications.

The warranty set forth above shall not apply if:

(i) adjustment, repair or part replacement is required because of accident, unusual physical or electrical stress, abuse, misuse, neglect, improper installation or packaging, repair or alteration by someone other than OSM; and/or

(ii) any of the Products have been modified by customer, its customer or end-user, or where the serial numbers or warranty date decals, if applicable, have been removed or altered; and/or

(iii) the defect or damage is attributable to design of the Products or any part thereof.

iv) use or sale of the Product for something it was not planned to be used.

The customer shall without undue delay and during the respective warranty period notify OSM of any defect which appears in the Products manufactured by OSM. The notice shall contain a full description of the defect. If the customer has not notified OSM of a defect during the warranty period, it shall lose its right to have the defect remedied.

After receipt of defect notice, OSM shall provide customer with a return material authorization. Products not in conformity with OSM's warranty shall be delivered to the relevant OSM's manufacturing location by customer and repaired by OSM. OSM shall be responsible and bear the costs for repair and delivery to the original delivery address. If repair is not possible, Products shall on OSM's sole discretion be replaced, credited or refunded.

If the customer has given defect notice as mentioned above and no defect is found for which OSM is liable pursuant to the above warranty, OSM shall be entitled to compensation for the costs and expenses incurred as a result of the notice.

The warranties herein a) are exclusive and stated in lieu of all other warranties, whether expressed, statutory or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose, all of which are hereby expressly disclaimed; and b) neither assume nor authorize any other party to assume for OSM any other liabilities in connection with the manufacture or sale of Products or provision of Services.

## 17. INTELLECTUAL PROPERTY AND INDEMNIFICATION

Intellectual Property owned by a party will be and remain the property of that party, and neither party will receive right, title or interest in such Intellectual Property unless otherwise agreed.

Customer shall furnish OSM with the necessary Intellectual Property and needed third party licenses relating to the Services. By customer furnishing of customer's Intellectual Property to OSM, OSM shall be deemed to have been granted a world-wide, non-exclusive, non-transferable, non-assignable, royalty-free license to use such Intellectual Property that is necessary for the sole purpose of enabling OSM to perform the Services.

Customer agrees to indemnify and to hold OSM harmless from any and all claims, suits, actions or demands asserted against that party or its customers, and against all liabilities and costs (including

legal expenses) incurred by OSM in connection therewith arising directly or indirectly from any claim by third parties of infringement of any patent, trademarks, copyright or design or any other intellectual property right which may be attributable to e.g. but not limited to the design, Specifications and/or quality requirements. Should an intellectual property claim arise, the customer shall take all appropriate and necessary measures to defend OSM against such claim.

For the sake of clarity, OSM shall not be responsible for any interruptions and/or delays and/or seizures in Servicing resulting from any claim or action referred to above.

#### 18. PRODUCT LIABILITY

Customer shall assume the defense of such case and indemnify OSM against any and all claims, damages, losses and reasonable costs as OSM may have been ordered to pay to a third party by any competent court or by settlement out of court.

In case customer wishes to settle the case, OSM must be kept informed of developments of possible settlement negotiations and any settlement affecting adversely on OSM shall be null and void unless OSM has approved such settlement in writing before its execution.

The Parties shall inform each other promptly if either of them becomes aware of any claim, suit, action or demand asserted against either or both of them based on product liability.

OSM may choose to reasonably assist the other Party in the defense against such claim, suit, action or demand.

#### 19. FORCE MAJEURE

Either party shall be excused from the performance or punctual performance of any of its obligations and such obligations shall be extended by a period reasonable under the circumstances if the performance thereof is prevented or delayed by industrial disputes or any cause beyond the affected party's reasonable control which, without in any way limiting the generality of the foregoing, shall include acts of God, riots, wars, accident, embargo or requisition (acts of government), shortage of Components including non-availability of an export license for the Product or any part thereof of, visa and permits for either party's personnel, or delays in the performance of its sub-contractors caused by any such circumstances as referred to in this section 19.

In case of force majeure, the affected party shall promptly notify the other party in writing and furnish all relevant information thereto.

#### 20. NON PERFORMANCE

OSM shall be entitled to suspend or terminate the performance of the Services under these terms and conditions in case customer has not performed its obligations and/or it appears from the circumstances that customer will not perform its obligations immediately.

In the event OSM terminates or suspends the Services under these conditions, OSM may require that the customer pay for, or provide assurances for the payment of, all Components and Services

previously acquired or to be acquired, or Investments made by OSM before OSM performs any additional Services.

## 21. CONFIDENTIALITY AND SECURITY

All disclosure of information related to the business relationship between the parties will be deemed to be confidential if specifically designated as confidential or proprietary at the time of disclosure or if it is by its nature obvious that it is confidential or proprietary.

Except as provided below in this section 21, the receiving party of such confidential information agrees to treat such information as strictly confidential and shall not divulge, directly or indirectly, to any other person, firm, corporation, association or entity, for any purpose whatsoever, confidential information so received, and shall not make use of or copy such confidential information, except for what is stipulated in this section 21. Such confidential information may be disclosed only to such representatives of the receiving party or its affiliates who necessarily require access to such information for the purpose for which it was disclosed and who have secrecy obligations to the receiving party.

This commitment shall impose no obligation upon either party with respect to any portion of such information that:

1. was known to the receiving party prior to its receipt from the other party;
2. is now or through no act or failure on the part of the receiving party becomes generally known;
3. is supplied to receiving party by a third party, which the receiving party in good faith believes to be free to make such a disclosure, and without restriction on disclosure;
4. is independently developed by the receiving party without use of any confidential information provided by the disclosing party.
5. disclosure of which is legally compelled.

Each party shall follow all reasonable instructions and guidance of the other party relating to security issues. Each party understands that security issues are of the utmost importance in the relationship between the parties.

## 22. LIMITATION OF LIABILITY

OSM shall not be liable for any special, indirect, incidental, punitive or consequential damages or any other such exemplary damages, whether or not the possibility of such damages could have been reasonably foreseen.

OSM's total aggregate liability with respect to any damage caused shall not exceed the amount corresponding five per cent (5%) of the amount invoiced from customer for the respective Product or Service within the previous six (6) calendar months.



The limitation of liability stated herein shall be exclusive and final and stated in lieu of all other, whether express, statutory or implied liabilities in connection with the manufacture or sale of Products, and/or provision of Services.

#### 23. GOVERNING LAW

This Agreement will be governed by the laws of Hong Kong without regard to any rules governing conflicts of laws. The Parties agree that venue for any suit, action or proceeding with respect to this Agreement will lie exclusively in any court of competent jurisdiction located in Hong Kong.

#### 24. DISPUTE RESOLUTION

All disputes, differences or questions between the parties with respect to any matter arising out of or related to the Services shall be finally settled under the Rules of Hong Kong International Arbitration Centre, by three (3) arbitrators. The Proceedings shall be conducted in the English language.